

**Representative Gage Froerer** proposes the following substitute bill:

**PUBLIC HEARINGS ON PROPERTY TAX**

**INCREASES**

2008 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Gage Froerer**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill modifies the Property Tax Act to address certain requirements for a taxing entity to provide notice of public hearings.

**Highlighted Provisions:**

This bill:

- ▶ modifies the advertisement requirements for a taxing entity when the taxing entity's public hearing is published by the county auditor;
- ▶ requires a taxing entity to notify a county auditor of public hearings related to tax increases;
- ▶ requires the county auditor to compile the notices of public hearings;
- ▶ requires publication of the compiled information;
- ▶ requires a taxing entity to provide certain information to taxpayers;
- ▶ provides for the payment of costs;
- ▶ addresses the scope of the provision; and
- ▶ makes technical changes.

**Monies Appropriated in this Bill:**

None



**Other Special Clauses:**

This bill takes effect on January 1, 2009.

This bill coordinates with S.B. 29, Truth in Taxation Amendments, by providing technical amendments.

**Utah Code Sections Affected:****AMENDS:**

**59-2-919**, as last amended by Laws of Utah 2006, Chapters 26 and 104

**ENACTS:**

**59-2-919.5**, Utah Code Annotated 1953

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*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **59-2-919** is amended to read:

**59-2-919. Resolution proposing tax increases -- Notice -- Contents of notice of proposed tax increase -- Personal mailed notice in addition to advertisement -- Contents of personal mailed notice -- Hearing -- Dates.**

A tax rate in excess of the certified tax rate may not be levied until a resolution has been approved by the taxing entity in accordance with the following procedure:

(1) (a) (i) The taxing entity shall advertise its intent to exceed the certified tax rate in a newspaper or combination of newspapers of general circulation in the taxing entity.

(ii) Notwithstanding Subsection (1)(a)(i), a taxing entity is not required to meet the advertisement or hearing requirements of this section if:

(A) the taxing entity:

(I) collected less than \$15,000 in ad valorem tax revenues for the previous fiscal year;

or

(II) is expressly exempted by law from complying with the requirements of this section; or

(B) (I) the taxing entity is a party to an interlocal agreement under Title 11, Chapter 13, Interlocal Cooperation Act, that creates an interlocal entity to provide fire protection, emergency, and emergency medical services;

(II) the tax rate increase is approved by the taxing entity's voters at an election held for that purpose on or before December 31, 2010;

(III) the purpose of the tax rate increase is to pay for fire protection, emergency, and emergency medical services provided by the interlocal entity; and

(IV) at least 30 days before its annual budget hearing, the taxing entity:

(Aa) adopts a resolution certifying that the taxing entity will dedicate all revenue from the tax rate increase exclusively to pay for fire protection, emergency, and emergency medical services provided by the interlocal entity and that the amount of other revenues, independent of the revenue generated from the tax rate increase, that the taxing entity spends for fire protection, emergency, and emergency medical services each year after the tax rate increase will not decrease below the amount spent by the taxing entity during the year immediately before the tax rate increase without a corresponding decrease in the taxing entity's property tax revenues used in calculating the taxing entity's certified tax rate; and

(Bb) sends a copy of the resolution to the commission.

(iii) The exception under Subsection (1)(a)(ii)(B) from the advertisement and hearing requirements of this section does not apply to an increase in a taxing entity's tax rate that occurs after December 31, 2010, even if the tax rate increase is approved by the taxing entity's voters before that date.

(iv) Notwithstanding Subsection (1)(a)(i), a taxing entity is not required to meet the advertisement requirements of this section if Section 53A-17a-133 allows the taxing entity to levy a tax rate that exceeds that certified tax rate without having to comply with the advertisement requirements of this section.

(b) The advertisement described in this section shall:

(i) be no less than 1/4 page in size;

(ii) use type no smaller than 18 point; and

(iii) be surrounded by a 1/4-inch border.

(c) The advertisement described in this section may not be placed in that portion of the newspaper where legal notices and classified advertisements appear.

(d) It is the intent of the Legislature that:

(i) whenever possible, the advertisement described in this section appear in a newspaper that is published at least one day per week; and

(ii) the newspaper or combination of newspapers selected:

(A) be of general interest and readership in the taxing entity; and

(B) not be of limited subject matter.

(e) The advertisement described in this section shall:

(i) except as provided in Subsection (1)(g), be run once each week for the two weeks preceding the adoption of the final budget; and

(ii) state that the taxing entity will meet on a certain day, time, and place fixed in the advertisement, which shall be not less than seven days after the day the first advertisement is published, for the purpose of hearing comments regarding any proposed increase and to explain the reasons for the proposed increase.

(f) The meeting on the proposed increase may coincide with the hearing on the proposed budget of the taxing entity.

(g) If a taxing entity's public hearing information is published by the county auditor in accordance with Section 59-2-919.5, the taxing entity is not subject to the requirement to run the advertisement described in this section twice, as required in Subsection (1)(e)(i), but shall run the advertisement once during the week preceding the adoption of the final budget.

(2) The form and content of the notice shall be substantially as follows:

"NOTICE OF PROPOSED TAX INCREASE

(NAME OF TAXING ENTITY)

The (name of the taxing entity) is proposing to increase its property tax revenue.

● If the proposed budget is approved, this would be an increase of \_\_\_\_\_% above the (name of the taxing entity) property tax budgeted revenue for the prior year.

● The (name of the taxing entity) tax on a (insert the average value of a residence in the taxing entity rounded to the nearest thousand dollars) residence would increase from \$\_\_\_\_\_ to \$\_\_\_\_\_, which is \$\_\_\_\_\_ per year.

● The (name of the taxing entity) tax on a (insert the value of a business having the same value as the average value of a residence in the taxing entity) business would increase from \$\_\_\_\_\_ to \$\_\_\_\_\_, which is \$\_\_\_\_\_ per year.

(Name of taxing entity) property tax revenue from new growth and other sources will increase from \$\_\_\_\_\_ to \$\_\_\_\_\_.

All concerned citizens are invited to a public hearing on the tax increase.

PUBLIC HEARING

Date/Time: (date) (time)

Location: (name of meeting place and address of meeting place)

To obtain more information regarding the tax increase, citizens may contact the (name of the taxing entity) at (phone number of taxing entity)."

(3) The commission:

(a) shall adopt rules governing the joint use of one advertisement under this section or Section 59-2-918 by two or more taxing entities; and

(b) may, upon petition by any taxing entity, authorize either:

(i) the use of weekly newspapers in counties having both daily and weekly newspapers where the weekly newspaper would provide equal or greater notice to the taxpayer; or

(ii) the use of a commission-approved direct notice to each taxpayer if the:

(A) cost of the advertisement would cause undue hardship; and

(B) direct notice is different and separate from that provided for in Subsection (4).

(4) (a) In addition to providing the notice required by Subsections (1) and (2), the county auditor, on or before July 22 of each year, shall notify, by mail, each owner of real estate as defined in Section 59-2-102 who is listed on the assessment roll.

(b) The notice described in Subsection (4)(a) shall:

(i) be sent to all owners of real property by mail not less than ten days before the day on which:

(A) the county board of equalization meets; and

(B) the taxing entity holds a public hearing on the proposed increase in the certified tax rate;

(ii) be printed on a form that is:

(A) approved by the commission; and

(B) uniform in content in all counties in the state; and

(iii) contain for each property:

(A) the value of the property;

(B) the date the county board of equalization will meet to hear complaints on the valuation;

(C) itemized tax information for all taxing entities, including a separate statement for the minimum school levy under Section 53A-17a-135 stating:

(I) the dollar amount the taxpayer would have paid based on last year's rate; and

150 (II) the amount of the taxpayer's liability under the current rate;  
151 (D) the tax impact on the property;  
152 (E) the time and place of the required public hearing for each entity;  
153 (F) property tax information pertaining to:  
154 (I) taxpayer relief;  
155 (II) options for payment of taxes; and  
156 (III) collection procedures;  
157 (G) information specifically authorized to be included on the notice under Title 59,  
158 Chapter 2, Property Tax Act; and  
159 (H) other property tax information approved by the commission.  
160 (5) (a) The taxing entity, after holding a hearing as provided in this section, may adopt  
161 a resolution levying a tax rate in excess of the certified tax rate.  
162 (b) If a resolution adopting a tax rate is not adopted on the day of the public hearing,  
163 the scheduled time and place for consideration and adoption of the resolution shall be  
164 announced at the public hearing.  
165 (c) If a resolution adopting a tax rate is to be considered at a day and time that is more  
166 than two weeks after the public hearing described in Subsection (4)(b)(iii)(E), a taxing entity,  
167 other than a taxing entity described in Subsection (1)(a)(ii), shall advertise the date of the  
168 proposed adoption of the resolution in the same manner as provided under Subsections (1) and  
169 (2).  
170 (6) (a) All hearings described in this section shall be open to the public.  
171 (b) The governing body of a taxing entity conducting a hearing shall permit all  
172 interested parties desiring to be heard an opportunity to present oral testimony within  
173 reasonable time limits.  
174 (7) (a) Each taxing entity shall notify the county legislative body by March 1 of each  
175 year of the date, time, and place a public hearing is held by the taxing entity pursuant to this  
176 section.  
177 (b) A taxing entity may not schedule a hearing described in this section at the same  
178 time as another overlapping taxing entity in the same county, but all taxing entities in which the  
179 power to set tax levies is vested in the same governing board or authority may consolidate the  
180 required hearings into one hearing.

(c) The county legislative body shall resolve any conflicts in hearing dates and times after consultation with each affected taxing entity.

(8) A taxing entity shall hold a public hearing under this section beginning at or after 6 p.m.

Section 2. Section **59-2-919.5** is enacted to read:

**59-2-919.5. Consolidated advertisement of public hearings.**

(1) On the same day on which a taxing entity provides the notice to the county required under Subsection 59-2-918(5) or 59-2-919(7), the taxing entity shall provide to the county auditor the same information required by Subsection 59-2-918(5) or 59-2-919(7).

(2) If as of July 22, two or more taxing entities notify the county auditor under Subsection (1), the county auditor shall by no later than July 22 of each year:

(a) compile a list of the tax entities that notify the county auditor under Subsection (1);

(b) include on the list described in Subsection (2)(a), the following information for each taxing entity on the list:

(i) the name of the taxing entity;

(ii) the date, time, and location of the public hearing required under Section 59-2-918 or 59-2-919;

(iii) the average dollar increase on a residence in the taxing entity that the proposed tax increase would generate; and

(iv) the average dollar increase on a business in the taxing entity that the proposed tax increase would generate;

(c) provide a copy of the list described in Subsection (2)(a) to each taxing entity that notifies the county auditor under Subsection (1); and

(d) in addition to the requirements of Subsection (3), if the county has a webpage, publish a copy of the list described in Subsection (2)(a) on the county's webpage until December 31.

(3) (a) At least two weeks before any public hearing included in the list under Subsection (2) is held, the county auditor shall publish:

(i) the list compiled under Subsection (2); and

(ii) a statement that:

(A) the list is for informational purposes only;

212 (B) the list should not be relied on to determine a person's tax liability under this  
213 chapter; and

214 (C) for specific information related to the tax liability of a taxpayer, the taxpayer  
215 should review the taxpayer's tax notice received under Subsection 59-2-919(4).

216 (b) The information described in Subsection (3)(a) shall be published:

217 (i) in no less than 1/4 page in size;

218 (ii) in type no smaller than 18 point; and

219 (iii) surrounded by a 1/4-inch border.

220 (c) The published information described in Subsection (3)(a) may not be placed in the  
221 portion of a newspaper where a legal notice or classified advertisement appears.

222 (d) A county auditor shall publish the information described in Subsection (3)(a):

223 (i) in a newspaper or combination of newspapers that are:

224 (A) published at least one day per week;

225 (B) of general interest and readership in the county; and

226 (C) not of limited subject matter; and

227 (ii) once each week for the two weeks preceding the first hearing included in the list  
228 compiled under Subsection (2).

229 (4) A taxing entity that notifies the county auditor under Subsection (1) shall provide  
230 the list described in Subsection (2)(c) to a person:

231 (a) who attends a public hearing of the taxing entity held in accordance with the  
232 requirements of Section 59-2-918 or 59-2-919; or

233 (b) who requests a copy of the list.

234 (5) (a) A county auditor shall by no later than 30 days of the day on which the last  
235 publication of the information required by Subsection (3)(a) is made:

236 (i) determine the costs of compiling and publishing the list; and

237 (ii) charge each taxing entity included on the list an amount calculated by dividing the  
238 amount determined under Subsection (5)(a) by the number of taxing entities on the list.

239 (b) A taxing entity shall pay the county auditor the amount charged under Subsection  
240 (5)(a).

241 (6) (a) The publication of the list under this section does not remove or change the  
242 requirements for advertisements by a taxing entity under Section 59-2-918 or 59-2-919.



243           **(b) If a taxing entity's public hearing information is published by the county auditor in**  
244 **accordance with this section, the taxing entity is not subject to the requirement to run the**  
245 **advertisement described in Section 59-2-919 twice, as required in Subsection 59-2-919(1)(e)(i),**  
246 **but shall run the advertisement once during the week preceding the adoption of the final**  
247 **budget.**

248           Section 3. **Effective date.**

249           **This bill takes effect on January 1, 2009.**

250           Section 4. **Coordinating H.B. 435 with S.B. 29 -- Technical amendments.**

251           **If this H.B. 435 and S.B. 29, Truth in Taxation Amendments, both pass, it is the intent**  
252 **of the Legislature that the Office of Legislative Research and General Counsel, in preparing the**  
253 **Utah Code database for publication replace the reference in Subsection 59-2-919.5(3)(a)(ii)(C)**  
254 **to "Subsection 59-2-919(4)" with "Section 59-2-919.1".**